Questions for the Record
U.S. House Ways and Means Committee, Subcommittee on Trade
Hearing on Trade and Labor: Creating and Enforcing Rules to Benefit American Workers
March 26, 2019

From Representative Jimmy Panetta to Holly Hart

1. Ms. Hart, you outlined a number of areas in your testimony where the U.S. must invest in itself. One of these areas is labor force training. You noted that the U.S. lags behind other advanced countries in training our workforce, spending a smaller percentage of our GDP on training programs. How is poor investment in labor force training hurting our competitiveness?

   The lack of investment in labor force training creates a cascade effect on the upward mobility of workers towards the middle class. Modern production methods require skills expertise that is technical in nature. ArcelorMittal and USW have partnered with several technical schools to train future workers in the steel industry, for example. The 2-year (60 credits) Associates of Applied Science (AAS) degree in Industrial Technology with a Technical Certificate (TC) in Industrial Electrical Technology degree is now the basic requirement to modern steel making and is done with little federal support currently.[1]

   However, for many workers the fear of trade displacement in manufacturing weighs heavily on an individual. The decision for a worker to invest years into manufacturing expertise resides on federal policies to ensure a thriving manufacturing base. Certainly for workers, the training they enter must provide a career. A career and a good-paying job mean not only investing in workforce training but in federal trade policy that will ensure outsourcing and unfair trade practices do not undermine learned expertise and federal spending on training.

2. You also noted that we spent $1.5 trillion on tax cuts that largely benefited the most well of in our society. This represents a massive loss of tax revenue that could be better spent elsewhere. Would investing part of this $1.5 trillion we spent on tax cuts for the wealthy on infrastructure improvements be a wiser way to invest in America?

   The massive give-away of federal revenue through the Tax Cuts and Jobs Act (TCJA) amplifies inequality and further undermines the ability of the federal government to prioritize spending. The Treasury Department recently stated that the deficit for the first four months of this budget year, which began Oct. 1, totaled $310.3 billion. That's up from a deficit of $175.7 billion in the same period a year ago.[2] Repealing the tax cuts to pay for infrastructure investments will create some additional GDP growth and in turn hopefully generate additional federal revenue through growth. It will also foster the rebuilding of our crumbling infrastructure and expand the infrastructure we need for a competitive economy, creating new demand for manufactured products, at the

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[1] https://www.ivytech.edu/files/Steelworker%20For%20The%20Future%20Info%20Packet.pdf
[2] https://www.usatoday.com/story/news/politics/2019/03/05/us-federal-deficit-up-budget-year/3074467002/

same time. Buy America provisions, strictly applied and broadened to other federally funded or granted infrastructure improvements, will also greatly enhance the generation of domestic jobs and manufacturing demand. However, in the long-term, infrastructure funding measures must be prioritized with long term dedicated funding resources. The federal gas tax has not been raised since 1993 and the expanded use of Electric Vehicles (EV), which will account for nearly 15% of global car sales by 2025, will further diminish gas tax revenues. Federal budgetary policy needs to reflect that debt to GDP ratio spending is reaching levels which can cause longer-term fiscal concerns if left unaddressed. The TCJA also increases efforts by some to attack critical social programs like Medicare, Medicaid and Social Security as can be seen through statements by the Senate Majority Leader in October of 2018.[3]

[3] https://www.newsweek.com/deficit-budget-tax-plan-social-security-medicaid-medicare-entitlement-1172941